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FISCAL IMPACT STATEMENT

LS 7852

BILL NUMBER: HB 1010

NOTE PREPARED: Mar 4, 2003

BILL AMENDED: Feb 26, 2003

SUBJECT: Transportation and Planning Commissions.

FIRST AUTHOR: Rep. Pelath

FIRST SPONSOR: Sen. Rogers

BILL STATUS: As Passed - House

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill expands the types of studies that may be funded from the Indiana Port Fund to include studies of transportation by water, intermodal transportation, and other modes of transportation.

The bill also repeals and replaces the law governing the Northwestern Indiana Regional Planning Commission (NIRPC) as a coordinating agency in Lake, Porter, and LaPorte counties. It establishes the purpose, powers, and duties of NIRPC. The bill establishes the funding and budgeting mechanisms for the Commission and authorizes an alternative weighted voting system for NIRPC.

Effective Date: July 1, 2003.

Explanation of State Expenditures: (Revised) *Indiana Port Fund:* Under current law, expenditures from this fund may be made (1) to acquire land and (2) for studies in connection with the port project. This provision would also allow expenditures to be made for studies in connection with water, intermodal, and other types of transportation. The bill expands the use of the existing fund but does not make an appropriation.

NIRPC: If the total Lake, LaPorte, and Porter County property tax levies rise as a result of the provision in this bill that allows the NIRPC tax rate to be levied outside of the maximum levy, then the state's expense for PTRC and Homestead Credits would also increase. (The state pays Property Tax Replacement Credits (PTRC) in the amount of 60% of school general fund levies attributable to all property and 20% of the portion of all operating levies (including the remaining 40% of the school GF levy) that are attributable to real property and non-business personal property. Homestead Credits are paid by the state in the amount of

20% of the net property tax due for qualifying funds on owner-occupied residences.)

PTRC and Homestead Credits are paid from the Property Tax Relief Fund, which is annually supplemented by the state General Fund. Therefore, any additional PTRC or Homestead Credit payments would ultimately come from the state General Fund. The additional state expense could rise by as much as \$38,000 in FY 2004 and \$115,000 in FY 2005 and later years. The actual amount of the increase depends on local action.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) *NIRPC Responsibilities*: The responsibilities and authority of the new NIRPC established under this bill are basically the same as they are for the current NIRPC with the following changes:

- 1) The commission would be required to institute and maintain a comprehensive planning and program process for transportation, economic development, and environmental policy. The Commission would coordinate its activities with all of the member units in the member counties.
- 2) The commission would be permitted to enter into coordinative arrangement with a minority business enterprise.
- 3) The commission's advisory committee must include members who represent higher education, minority business enterprise, labor/workforce organizations, and manufacturing entities.

Membership: The membership of the new commission would consist of 51 members including the following:

- One member from each county executive;
- One member from each county fiscal body;
- Each county surveyor;
- One member from each municipality in Lake, LaPorte and Porter Counties; and
- One non-voting member, appointed by the Governor.

The bill would require that each member of the commission would have to be an elected official.

Voting: The bill would allow the votes of the commission members to be counted in two ways. The default method would be to count each member's vote on an equal basis. An affirmative vote of at least 26 members would be required to approve a measure.

Alternatively, a weighted voting system would be used on the motion of any one member, with the second of another member. The weights would be based on population. The members representing the county executive and the county fiscal body would share equally the percentage of the votes apportioned to the population in the unincorporated areas of the county. The county surveyor would have no vote. An affirmative vote of more than 50% of the weighted votes would be required to approve a measure. The following table summarizes the total number of members and total percentage of votes by county.

	Current Law		Proposed (Non-Weighted)		Proposed (Weighted)	
County	Members	Voting %	Members	Voting %	Members	Voting %
Lake	17	42.5%	22	44.0%	22	65.3%
LaPorte	11	27.5%	14	28.0%	14	14.9%
Porter	11	27.5%	14	28.0%	14	19.8%
Gov. Appt.	1	2.5%	1	0%	1	0%
Total	40	100%	51	100%	51	100%

Explanation of Local Revenues: (Revised) The budgeting process and tax levy apportionment and tax rate limitations are also the same as the current commission, except that the bill would allow the rate to be levied outside of the counties' maximum levy limitations. If each county elects to exceed their maximum levy by this amount, the gross levy would grow by \$339,195 in Lake County, \$77,074 in LaPorte County, and \$102,759 in Porter County, for a total of \$519,028.

State Agencies Affected: Indiana Port Commission.

Local Agencies Affected: Lake, LaPorte, and Porter Counties and all municipalities within those counties.

Information Sources: U.S. Bureau of the Census.

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